FBI Traces ITT Witness to Denver Area

By Sanford J. Ungar 3/4/72
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Dita D. Beard, sought as a key witness in the continuing hearing on whether Justice Department officials dropped an antitrust suit in return for a large contribution to the GOP convention, has been traced to the Denver area.

A subpoena requiring her appearance before the Senate Judiciary Committee next Tuesday was flown to Denver yesterday, a Justice Department source said.

Mrs. Beard, the Washington lobbyist for the International Telephone and Telegraph Corp., is the author of a memorandum linking the settlement of an antitrust suit against ITT with the conglomerate's offer of a large contribution to the Republican National Convention in San Diego this August.

Syndicated columnist Jack Anderson's publication of Mrs. Beard's memorandum early this week started a sequence of testimony that has involved John N. Mitchell, now President Nixon's campaign manager and until March 1 the Attorney General; Richard G. Kleindienst, who has been nominated to succeed Mitchell; Richard McLaren, who headed Justice's antitrust division and is now a U.S. District Court judge in Chicago, as well as several ITT officials.

Kleindienst himself asked for the special hearing after the Judiciary Committee had already endorsed him, because he said he did not want to take office "with a cloud over my head, so to speak."

Key senators on the Judiciary Committee said yesterday that Kleindienst cannot be confirmed until Mrs. Beard has testified and Justice officials, including Kleindienst, agree that her testimony is essential to establish the facts in the case.

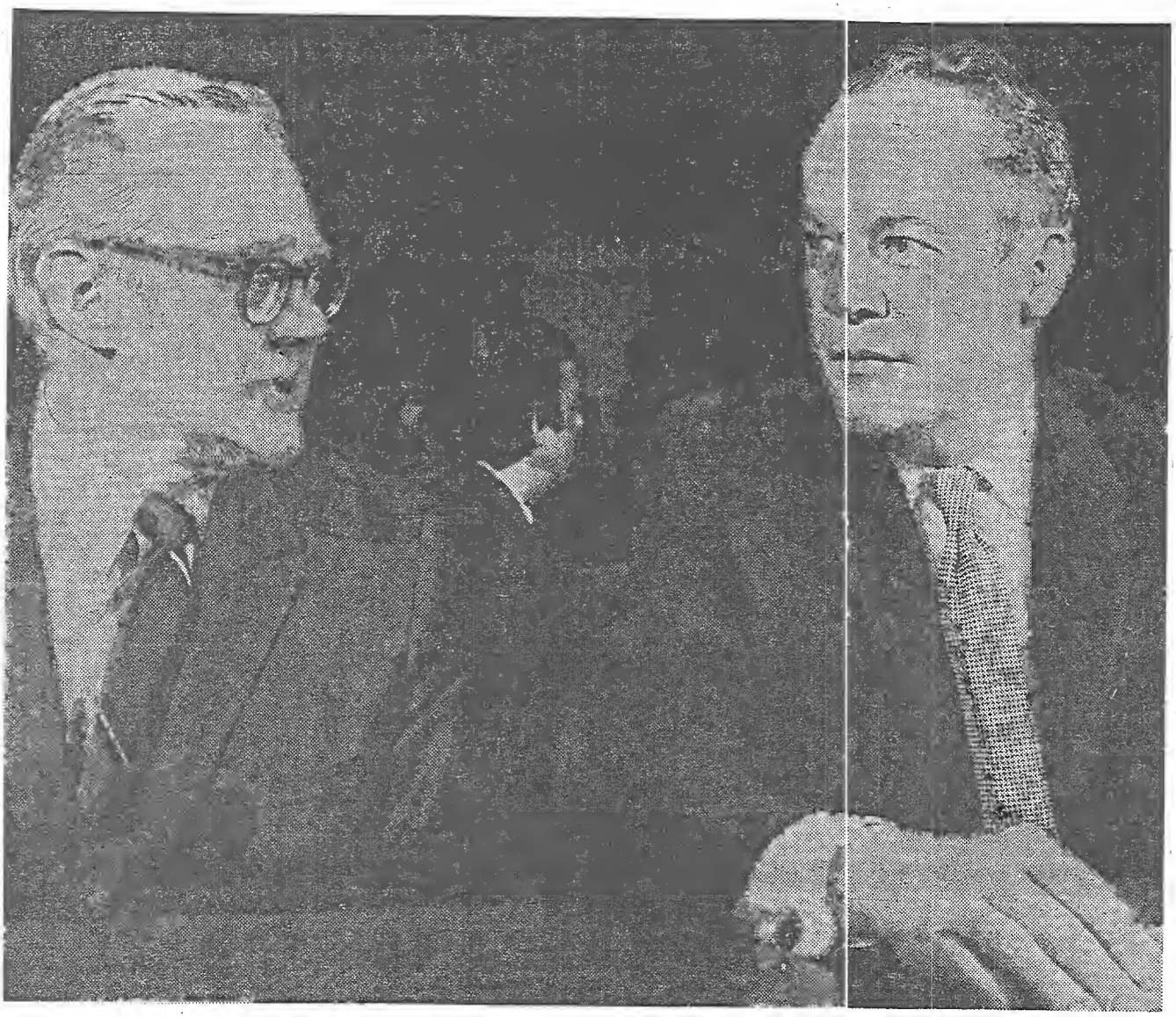
The location of Mrs. Beard by the FBI, after a 24-hour search involving about 20 agents, was the latest in a day of developments concerning the Kleindienst nomination and the ITT antitrust settlement.

Earlier in the day:

• Republican Lt. Gov. Ed Reinecke of California told reporters that he visited former Attorney General John N. Mitchell in Washington last May, while the ITT antitrust case was pending, and told him that the Sheraton Hotel Corp., an ITT subsidiary, was willing to underwrite convention expenses.

• A few hours later, however, Reinecke retracted his statement and said that he never discussed financial arrangements for the convention with Mitchell until Sept. 19, about six weeks after the ITT case had been settled. The new Reinecke statement supported one made earlier this week by Mitchell, who said he had nothing to do with arrangements to locate the Re-

See ITT, A7, Col. 1



By Margaret Thomas—The Washington Post

Richard McLaren and Richard Kleindienst before Senate Judiciary Committee hearing into ITT case.

ITT, From A1

publican convention in San Diego.

• Sen. Edward M. Kennedy produced an exchange of letters which he said indicated that Kleindienst heard about the ITT-Sheraton offer three months earlier than he has testified he knew about it.

• Kennedy also produced a Justice Department petition filed in the Supreme Court last spring, asking for extra time on another antitrust case involving ITT, the day before Kleindienst held his first meeting here with Felix G. Rohatyn, an ITT director.

• Sen. James O. Eastland (D-Miss.), chairman of the Judiciary Committee, promised that three "mystery surprise witnesses" — one of whom would travel here from a distant city—will testify at the hearings next week. The surprise witnesses, provided by ITT, will help to clear Mitchell and Kleindienst of any improprieties in the case, Eastland said.

• Senate Minority Leader Hugh Scott (Pa.) charged "the militants on the (Judiciary) Committee are knee-deep in nitpicking" over the Klein-

dienst nomination and the ITT affair. He appealed to the Senate to get on with Kleindienst's confirmation as Attorney General and investigate the ITT case later, if necessary.

• After taking only a few hours of testimony yesterday morning, Eastland surprised his Democratic colleagues on the committee by recessing the hearings until Tuesday morning, saying that several members of the panel had out-of-town commitments over the weekend.

Republicon senators later conceded privately, however, that they had requested the three-day delay, lest Anderson have the opportunity to testify before Mitchell could answer Anderson's allegations over the ITT affair.

Eastland said that Anderson, Mitchell and several ITT executives, including company president Harold Geneen, are scheduled to testify when the hearings resume.

Justice Department sources said last night that they hope Mrs. Beard, if she is located in time for the Tuesday session, will also state under oath that, despite her memo, she had on knowledge of a formal "deal" regarding the antitrust settlement and the convention contribution.

The FBI concentrated its search for Mrs. Beard in the Denver area yesterday, after learning that she was a winter sports enthusiast who sometimes vacations in Colorado.

Earlier efforts to locate her in West Virginia, where she owns property, has been unsuccessful, Justice Department sources said.

It was also learned last night that two of Mrs. Beard's children, a daughter and a son, flew out of Dulles Airport yesterday to meet their mother in Denver.

Justice Department sources

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. . . tells of ITT offer

said that FBI agents failed to intercept the children at the Denver airport and later continued their search for the family around Denver and the Aspen ski resort area.

It was also reported that Mrs. Beard has a heart ailment and is under the constant care of her personal physician.

ITT issued a statement yesterday afternoon saying that the company has been trying to locate her and asserting that Mrs. Beard's testimony "will be helpful in allaying the charges that have been aired."

Mrs. Beard's "absence is in direct violation of a commitment she made to the company to keep it informed of her whereabouts, so she would be available in the event her presence would be required," the ITT statement said.

Brit Hume, an associate of Anderson, contends however, that Mrs. Beard told him last weekend that she had been ordered by ITT officials to leave Washington until further notice.

Kleindienst and McLaren testified yesterday that they had "no knowledge" of any meeting between Mitchell and Reinecke to discuss financial arrangements for the Republican convention.

Mitchell "never mentioned (the ITT offer of funds) to me under any circumstances," Kleindienst said during the hearing.

Speaking to reporters in Sacramento yesterday, Reinecke said that his discussions with Mitchell came about because "I was doing work on behalf of California to try to get the convention to San Diego."

"Mitchell was, you might say, the political arm of the administration," Reinecke added. "It was widely known then that it was he who was making the political decisions."

In an interview earlier this week, Reinecke told The Washington Post that the original Sheraton offer was to "donate or raise $200,000" in funds or services in order to attract the Republicans to San Diego.

"Later, the figure suddenly became $400,000," Reinecke said in that interview. He contended that only Sheraton, and not the ITT parent corporation, was mentioned in those discussions.

At noon yesterday, Reinecke issued a new statement "clarifying" his earlier remarks.

"After checking and verifying our records," he said in the latest statement, "we learned that our meeting with . . . Mitchell was on April 26, 1971. At this time we did not discuss the Republican convention."

The subject of financial arrangements only came up during a subsequent meeting in September, Reinecke said, and even at that time "we never discussed or thought of any connection between the Sheraton Hotel and ITT."

Upon reflection, Reinecke said yesterday, he feels that the Republican National Committee should reject ITT's offer of financial help. "You have got to play it super clean and super safe and just say, 'thanks but no thanks,'" he explained.

The letters produced by Kennedy yesterday included one written to Kleindienst last Sept. 21 by Reuben B. Robertson III, an associate of consumer advocate Ralph Nader, asking whether there was any connection between the anti trust settlement and the ITT offer to the Republicans.

The second letter, dated the next day, was from McLaren to Robertson, asserting that there was "no relationship whatsoever."

Earlier, both Kleindienst and McClaren testified that they first learned about the ITT offer through news reports last December, almost three months after the correspondence.

Kleindienst said yesterday that he had "no recollection" of the letters and that he never sees many items addressed to him because he receives mail "by the pound."

McLaren, although he could not recall details of the correspondence either, said that he would have made the denial to Robertson "out of my own knowledge and conviction," without checking details with Kleindienst.

Throughout his testimony, McLaren has claimed that he was solely responsible for the ITT settlement and that there was no political pressure on him from above. He and Kleindienst acknowledged, however, that settlement negotiations were instituted after Kleindienst heard ITT's claim of "financial hardship" from company director Rohatyn.

The major Justice Department suit against ITT involved the conglomerate's acquisition of the Hartford Fire Insurance Co.

In the eventual settlement, ITT was permitted to keep Hartford but required to divest itself of Avis Rent-a-Car and other subsidiaries involved in other litigation. The divestiture is one of the largest in the history of American business.